



Government Card Services

Delinquency Management for the Travel Card Program

August 29 - 31, 2000
2nd Annual GSA SmartPay Conference
Sheraton Towers, Chicago

Bank of America





Workshop Agenda

- Government Customer Assistance (Risk Operations)
 - Who we are, our goals, and how to reach us
- Individually Billed Account (IBA) Life Cycle
- Centrally Billed Account (CBA) Life Cycle
- Process Improvements
- EAGLS Delinquency Reporting
- Delinquency Management Best Practices
- Questions and Answers



Risk Operations Mission Statement

Partner with internal and external clients to proactively manage credit losses and provide flexible payments programs when necessary.



How to Reach Us

GCSD 1-800-472-1424

GCSD (A/OPC specific) 1-800-558-0548

PHX Risk Operations

IBA Account Holders: 888-619-2938

IBA A/OPC's: 800-848-6086

CBA A/OPC's: 877-321-4864

Hours of Operation: 8 a.m. - 9 p.m. (Eastern Time)

IBA Life Cycle

Bank of America



Days Past Due

Action Taken

30

Statement message

45

Delinquency Letter
Phone call (optional)

55

Pre-suspension Letter
Phone call (optional)

61

Account suspension
Suspension Letter
Statement message
Phone call (optional)

IBA Life Cycle

Bank of America



Days Past Due

Action Taken

90

Statement message
Letter
Phone call (optional)

120

Statement message
Pre-cancellation Letter
Phone call (optional)
Late Fee

126

Account cancellation
Cancellation Letter
Phone call (optional)
Alternative payment options explored



IBA Life Cycle

Days Past Due

150

Action Taken

Statement message

Past Due Letter

Phone call (optional)

Alternative payment options explored

Late fee

180

Statement message

Pre-charge off Letter

Phone call (optional)

Alternative payment options explored

Late Fee



IBA Life Cycle

Days Past Due

210

Action Taken

Account charge off

Charge off Letter

Recovery Efforts

Collection agency or attorney



IBA Suspension

- Systematic decline of all authorizations at 61 days past due
- Released systematically upon payment of 60 day balance
- Re-instatement criteria will be modified and require balance in full payment

(GSA Master Contract CB.17.2 *Reinstatement of Suspended Individually Billed Accounts*: The contractor shall automatically reinstate suspended accounts upon payment of the undisputed principal amount, unless otherwise specified by the A/OPC.)

IBA Cancellation

- Systematic closure at 126 days past due
- Cancelled Accounts may be reported to the credit bureau reporting agencies
(GSA Mater Contract CB.18.3 *Credit Bureaus or Similar Entities*: Canceled individually billed accounts may be reported to credit bureaus or similar entities.)
- Development underway to systematically cancel accounts that are suspended 3 times within 12 month period.



IBA Cancellation

- Re-instatement

(GSA Mater Contract CB.18.2 *Reinstatement of Canceled Individually Billed Accounts*: The contractor may reinstate canceled individually billed accounts upon payment of the principal amount and late fee. The contractor may conduct a credit worthiness check as described in CB.20.5 prior to reinstatement of the canceled individually billed accounts.)

- Referral to outside collection agency or attorney



IBA - Mission Critical

Designed to support account holders in remote locations who cannot file travel reimbursement vouchers NOT designed to support reimbursement delays.

- Available only at the request of the A/OPC
- Account holder can continue to use account for official government travel
- Pre-determined time frame is required

IBA Payments

REMINDER: The payment address will change effective September 1st, 2000. Payment Remittance coupons included in September and ongoing billing statements will contain the following new address:

Bank of America
P.O. Box 53139
Phoenix, AZ 85072-3139



IBA Payments

- Split disbursement is recommended as an effective tool to prevent or resolve delinquency
- SpeedPay (Pay-by-Phone) is also an effective tool in resolving delinquent accounts in jeopardy of suspension or cancellation.



IBA - Fixed Payment Program

Designed to assist account holders that are a minimum of 126 days past due and are unable to pay their balance in full

Criteria

- IBA must be 126+ days past due
- All other collection options are exhausted
- Account holder must be able to resolve balance in 24 months or less
- Missing payment or non-sufficient funds (NSF) payment removes IBA from program



CBA Life Cycle

Days Past Due

Action Taken

30

Invoice message (paper only)

45

Delinquency Letter

Phone call (optional)

55

Pre-suspension Letter

Phone call (optional)

60

Invoice message (paper only)

Phone call (optional)

71

Account eligible for suspension

Phone call (optional)



CBA Life Cycle

Days Past Due

Action Taken

90

Invoice message (paper only)
Phone call (optional)

120

Pre-cancellation Letter
Invoice message (paper only)
Phone call (optional)

136

Account eligible for cancellation
Phone call (optional)

150

Invoice message (paper only)
Phone call (optional)



CBA Suspension

- Account eligible for suspension at 71 days past due
- Re-instatement of Suspended Accounts
(GSA Master Contract C.36.2 *Reinstatement of Centrally Billed Suspended Accounts*: The contractor shall automatically reinstate suspended accounts upon payment of the undisputed principal amount and Prompt Payment Act interest.)
- Prompt Payment Act (PPA) Web Site Address:

www.fms.treas.gov/prompt/index.html



CBA Cancellation

- Account eligible for cancellation at 136 days past due
- Re-instatement of Cancelled Accounts
(GSA Master Contract C.37.2 *Reinstatement of Centrally Billed Canceled Accounts*: The contractor may reinstate canceled accounts upon payment of the undisputed principal amount and Prompt Payment Act interest.)
- Prompt Payment Act (PPA) Web Site Address:

www.fms.treas.gov/prompt/index.html



Process Improvements

- Automation of credit bureau reporting
- Systematic cancellation of accounts that are suspended 3 times within 12 month period.
- Merchant Category Code (MCC) Recommendations
- Abuse monitoring/prevention
- Salary offset (Travel and Transportation Reform Act)

EAGLS Delinquency Reporting

- Aging Analysis - Provides IBA delinquency summary
- Delinquency Report - Shows accounts and dollars in stages of delinquency (i.e. 30, 60, 90, 120, 150, 180+)
- Other Delinquency Reporting includes:
 - Pre-suspension Report
 - Suspension/Pre-cancellation Report
 - Cancellation Report
 - Charge off Report



Delinquency Management Best Practices

- Continuously monitor IBA account holder lists
- Proactively schedule and review suite of EAGLS Delinquency Reports
- Require IBA account holders to submit their travel reimbursement vouchers and remit their account payments in a timely manner
- Deactivate and lower credit limits for delinquent IBA's
- Re-enforce guidance of agency travel card policy
- Reconcile CBA's in a timely manner in order to take advantage of full payment velocity refund and avoid interrupted service of account



Questions and Answers
